

HOUSE No. 4857

The Commonwealth of Massachusetts

PRESENTED BY:

William M. Straus

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act Relative to Corporate Political Accountability.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
William M. Straus	10th Bristol
Cory Atkins	14th Middlesex
James B. Eldridge	Middlesex and Worcester
Carolyn Dykema	8th Middlesex
Denise Provost	27th Middlesex
Mary E. Grant	6th Essex
Thomas P. Kennedy	Second Plymouth and Bristol
Patricia D. Jehlen	Second Middlesex
Alice K. Wolf	25th Middlesex
Matthew C. Patrick	3rd Barnstable
James Dwyer	30th Middlesex
Brian A. Joyce	Norfolk, Bristol and Plymouth
Katherine Clark	32nd Middlesex
Stephen Kulik	1st Franklin
Jennifer Benson	37th Middlesex
Jason Lewis	31st Middlesex
Kay Khan	11th Middlesex
James Cantwell	4th Plymouth
Christopher N. Speranzo	3rd Berkshire

Mark V. Falzone	9th Essex
Steven J. D'Amico	4th Bristol
William C. Galvin	6th Norfolk
Louis L. Kafka	8th Norfolk
Pam Richardson	6th Middlesex
Robert M. Koczera	11th Bristol
Sal DiDomenico	Middlesex, Suffolk and Essex

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

An Act Relative to Corporate Political Accountability.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1: This Act may be cited as the “Massachusetts Corporate Political
2 Accountability Act of 2010”.

3
4 SECTION 2: The General Court does find and declare that:

5 (a) Although corporations cannot vote, corporations make significant political
6 contributions and expenditures that directly or indirectly influence the election of candidates and
7 support or oppose political causes at the local, state and federal level. Decisions to use corporate
8 treasury funds for political contributions and expenditures are currently made by corporate
9 boards and executives, often without the knowledge or consent of shareholders.

10 (b) Corporations acting through their boards and executives have a fiduciary duty to
11 conduct business in the best interests of the shareholders. Corporate boards and executives that
12 use corporate funds to support and oppose political candidates, political parties and political
13 causes in opposition to the interests of many or all of their shareholders may not be acting in the
14 best interests of the corporation.

(c) Historically, shareholders of corporations in the United States have not had a way to know of, or to influence, the political activities of corporations they own. Shareholders and the public have a right to know how these corporations are spending their funds to make political contributions or expenditures benefiting candidates, political parties, and political causes.

(d) These corporations should be accountable to their shareholders prior to making political contributions or expenditures affecting local, state and federal governance and public policy. Requiring the express approval of a corporation's shareholders prior to making political contributions or expenditures will help establish accountability.

(e) If corporations use corporate general treasury funds for political expenditures, then those funds should be clearly reported to shareholders and shareholders should be able to authorize the use of corporate general treasury funds for political expenditures.

(f) The commonwealth may regulate corporate political speech through reasonable disclaimer and disclosure requirements. Meaningful disclosure requirements of the source of funds used for political communications and disclaimer requirements for those communications provide information to the electorate and insure that the voters are fully informed about who is speaking.

SECTION 3:

Section 8 of Chapter 55 of the General Laws is hereby amended by adding the following: Nothing in this section shall be construed to restrict independent expenditures to the extent that such expenditures are protected by the First Amendment.

SECTION 4:

Chapter 55 of the General Laws is hereby amended by inserting after section 13 the following new sections:--

39 Section 13A

40 No legislative or executive agent, as defined by section 39 of chapter 3, shall directly or
41 indirectly solicit or receive any gift, payment, contribution, assessment, subscription or promise
42 of money or other thing of value for the political campaign purposes of any political party,
43 committee, or candidate or to any person for any political purpose or use, but this section shall
44 not prevent such persons from being members of political organizations or committees. The
45 soliciting or receiving of any gift, payment, contribution, assessment, subscription or promise of
46 money or other thing of value by a non-elected political committee organized to promote the
47 candidacy for public office of a legislative or executive agent, shall not be deemed to be a direct
48 or indirect solicitation or receipt of such contribution by such person;

49 Violation of any provision of this section shall be punished by imprisonment for not more than
50 one year or by a fine of not more than one thousand dollars.

51 Section 13B

52 (1) Definitions used in this section:

53 (A) "Quasi-public agency" means any authority or entity established by the General Court to
54 serve a public purpose including Bay State Skills Corporation, Boston Metropolitan District,
55 Centers of Excellence Corporation, Community Economic Development Assistance Corporation,
56 Community Development Finance Corporation, Government Land Bank, Massachusetts Bay
57 Transportation Authority, Massachusetts Business Development Corporation, Massachusetts
58 Convention Center Authority, Massachusetts Corporations for Educational Telecommunications,
59 Massachusetts Educational Loan Authority, Massachusetts Health and Educational Facilities
60 Authority, Massachusetts Horse Racing Authority, Massachusetts Housing Finance Agency,

Massachusetts Industrial Finance Agency, Massachusetts Industrial Service Program,
Massachusetts Port Authority, Massachusetts Product Development Corporation, Massachusetts
Technology Development Corporation, Massachusetts Technology Park Corporation,
Massachusetts Turnpike Authority, Massachusetts Water Resources Authority, Pension Reserves
Investment Management Board, State College Building Authority, Southeastern Massachusetts
University Building Authority, Thrift Institutions Fund for Economic Development, University
of Lowell Building Authority, University of Massachusetts Building Authority, and the Water
Pollution Abatement Trust

(B) "State agency" means any office, department, board, council, commission, institution or
other agency in the executive, legislative or judicial branch of state government.

(C) "State contract" means an agreement or contract with the state or any state agency or any
quasi-public agency for (i) the rendition of personal services, (ii) the furnishing of any material,
supplies or equipment, (iii) the construction, alteration or repair of any public building or public
work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or
(vi) a grant, loan or loan guarantee.

(D) "State contractor" means a person, business entity or nonprofit organization that enters
into a state contract. Such person, business entity or nonprofit organization shall be deemed to be
a state contractor until the termination of said contract. "State contractor" does not include a
municipality or any other political section of the state or an employee in the executive, legislative
or judicial branch of state government or a quasi-public agency, whether in the classified or
unclassified service and full or part-time, and only in such person's capacity as a state or quasi-
public agency employee.

(E) "Prospective state contractor" means a person, business entity or nonprofit organization

that (i) submits a bid in response to a bid solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into. "Prospective state contractor" does not include a municipality or any other political section of the state or an employee in the executive, legislative or judicial branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

(F) "Principal of a state contractor or prospective state contractor" means (i) an individual who is a member of the board of directors of, or has an ownership interest in, a state contractor or prospective state contractor, which is a business entity, except for an individual who (I) owns less than seven and a half per cent of the shares of any such state contractor or prospective state contractor that is a publicly traded corporation, or (II) is a member of the board of directors of a nonprofit organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive or senior vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, (iv) an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child of an individual described in this subparagraph, or (vi) a political committee established by or on behalf of an individual described in this subparagraph.

(2) No principal of a state contractor or prospective state contractor, shall, during the period between the initial bid solicitation by the state to the termination of the contract,

(a) Directly or indirectly make any contribution or to promise expressly or impliedly to make any contribution to any political party, committee, or candidate or to any person for any political purpose or use; or

(b) Knowingly solicit any contribution from any person for any purpose during any period; or

(c) Promise expressly or impliedly to make any independent expenditure or electioneering communication in support of or opposition to, any candidate, political party, committee, electioneering communication, ballot measure campaign, or an issue advocacy campaign.

(3) If a principal of a state contractor makes or solicits a contribution or makes an independent expenditure or electioneering communication prohibited under subparagraph (2) of this section, the contracting state agency or quasi-public agency shall void the existing contract with said contractor, and no state agency or quasi-public agency shall award the state contractor a state contract or an extension or an amendment to a state contract for one year after the election for which such contribution is made or solicited. Each state contract shall include the provisions of subparagraph (2) and this subparagraph of this section as part of the conditions of the

contract. (4) If a principal of a prospective state contractor makes or solicits a contribution or makes an independent expenditure or electioneering communication prohibited under subparagraph (2) or of this section, no state agency or quasi-public agency shall award the prospective state contractor the contract described in the bid solicitation or request for proposals, or any other state contract for one year after the election for which such contribution is made or solicited. Each state agency and quasi-public agency shall include the provisions of subparagraph (2) this subparagraph of this section in each bid solicitation and request for proposals issued by the agency. The chief executive officer of each prospective state contractor shall: (i) Inform each individual described in subparagraph (F) of subsection (1) of this section with regard to said

prospective state contractor concerning the provisions of subparagraph (2) and this subparagraph, (ii) certify in a sworn statement that no such individual will make or solicit a contribution in violation of the provisions of subparagraph (2) and this subparagraph, and (iii) acknowledge in writing that if any such contribution is made or solicited, the prospective state contractor shall be disqualified from being awarded the contract described in the bid solicitation or request for proposals or being awarded any other state contract for one year after the election for which such contribution is made or solicited.

(5) No political party, candidate, or committee, nor any person for a political purpose or use, may solicit contributions on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to any public office, a political committee or a party committee, from a principal of a state contractor or prospective state contractor with regard to a state contract, bid solicitation or request for proposals with or from a state agency in the executive branch, a quasi-public agency, the General Court, or a holder of a valid prequalification certificate.

(6) The provisions of this section shall not restrict a principal of a state contractor or prospective state contractor from establishing an exploratory or candidate committee for said principal's own campaign or from soliciting contributions for such committees from persons not prohibited from making contributions under this subsection.

(7) Each state agency and quasi-public agency shall prepare and forward to the Office of Campaign and Political Finance, on a form prescribed by said director, a list of the state contracts for which the agency is a party and a list of the principals of state contractors or prospective state contractors for (A) such contracts, and (B) any bid solicitations or requests for proposals issued by the agency. Each state agency and quasi-public agency shall forward to said Office, on a form prescribed by the director, any changes additions or deletions to said lists.

(8) The Office of Campaign and Political Finance shall (A) compile a master list of principals of state contractors and prospective state contractors for all state agencies and quasi-public agencies, based on the information received under section (1) of this subsection, (B) publish the master list on the Office's Internet web site, and (C) provide copies of the master list to campaign treasurers upon request. The office shall update the master list every three months. Any campaign treasurer who acts in reliance on such master list in good faith shall have a complete defense in any action against the campaign treasurer for depositing a contribution in violation of subsection (5) of this section.

(9) Violation of any provision of this section shall be punished by imprisonment for not more than one year or by a fine of not more than one thousand dollars.

SECTION 5:

Section 18A of Chapter 55 of the General Laws is hereby amended by inserting after the word "association" wherever it appears the following word: -- "or other entity".

SECTION 6:

Section 18C of Chapter 55 of the General laws is hereby amended by inserting after the word "association" the following words: -- "or other entity".

SECTION 7:

Chapter 56 of the General Laws is hereby amended by adding the following new Section:--

Section 39A Broadcast Political Advertisements.

1) All broadcast advertizing which is also an electioneering communication, as defined in chapter 55 section 1, or an independent expenditure, as defined in chapter 55 section 1, shall be clearly identified by the words "paid for by" followed by the name of the entity paying for the communication. In addition, for entities other than a political party or a single individual the following shall be provided as well:

(a) The identity of the entity's principal officer and the officer's title;

(b) The city and state of the entity's principal place of business;

(c) If the radio or television advertisement is paid for by a corporation, group or association, the following statement shall be made by the chief executive officer of the corporation or the chairman or principal officer of the group or association or the chief executive or business manager of a labor union: "I am _____ (name) the _____ (office held) of _____ (name of corporation, group or association) and _____ (name of corporation, group or association) approves and paid for this message." Such statements in television advertisements shall be conveyed by an unobscured, full-screen view of the person making the statement. If an independent expenditure or electioneering communication is transmitted through internet advertising, the statement shall appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement;

(d) a listing of the names of the five persons or entities making the largest contributions to the above entity in excess of seven hundred dollars reportable under this chapter 55 during the twelve-month period before the date of the advertisement or communication., with the words "Top Five Contributors"; and

(e) a statement that the communication, if made to influence the outcome of an election for elective office, is not authorized or approved by any candidate.

(f) the logo of the entity, if applicable.

(2) For electioneering communications or independent expenditures for print or visual advertising in written form, the above identification requirements shall:

(a) Appear on the first page or fold of the written advertisement or communication in at least ten-point type, or in type at least ten percent of the largest size type used in a written advertisement or communication directed at more than one voter, such as a billboard or poster, whichever is larger;

(b) Not be subject to the half-tone or screening process; and

(c) Be set apart from any other printed matter.

(3) For electioneering communication or independent expenditure advertising transmitted via television or other video medium, the above identification requirements shall be in the following form:

(a) the statement required by section 1(c) above must be clearly spoken by the principal officer, with said principal officer clearly identified by the video;

(b) the statement required by section 1 (a), (b), (d), (e) and (f) must appear in print and be visible for at least four seconds, appear in letters greater than four percent of the visual screen height, and have a reasonable color contrast with the background:.

Abbreviations may be used to describe contributing entities if the full name of the entity has been clearly spoken previously during the broadcast advertisement.

(3) For electioneering communications or independent expenditure advertising via an audio medium that does not include a visual image, the identification requirements of section 1 above shall:

(a) be clearly spoken, with the principal officer clearly identified. Abbreviations may be used to describe contributing entities if the full name of the entity has been clearly spoken previously during the broadcast advertisement.

(4) A person or other entity making an independent expenditure or electioneering communication under this section shall not engage or retain an advertising firm or consultant that has also been engaged or retained within the prior six months by the candidate, candidate's committee, or ballot issue committee that is benefited by the independent expenditure.

SECTION 8:

Section 8 of Chapter 156B is hereby amended by inserting the following new subsection:--

Section 8A Corporate Political Activities

(1) Definitions:--

For the purposes of the section, the following terms shall have the following meanings:

(a) "General treasury funds," means those monies in possession of a corporation incorporated under the laws of the Commonwealth in the normal course of business. General treasury funds may include, among others, funds from sales, accounts payable, loans, investments, bonds or debt instruments.

(b) "Issue advocacy campaign," means contributions or expenditures for any communication to the general public intended to encourage the public to contact a government official regarding

241 pending legislation, public policy or a government rule or regulation. Issue advocacy campaign
242 does not include contributions or expenditures for registered lobbyists or other persons employed
243 by the corporation to lobby directly state or federal government officials.

244 (c) “Known at the time of the authorization vote,” means that, at the time the corporate seeks
245 authorization from shareholders to spend corporate funds for political activities, (1) the
246 corporation’s officers, directors or employees have identified a specific political activity for the
247 corporation to support or oppose, (2) corporate officers, directors or employees have taken steps
248 to obligate funds to a political activity, or (3) or the corporation has a regularly scheduled
249 payment to a trade association or other entity to pay for a political activity in the next twelve
250 months.

251 (d) “Two thirds of all shareholders,” means two thirds of all outstanding voting securities.
252 Shareholders not casting votes shall not count toward affirmative authorization under this
253 section.

254 (e) “Political activities,” means any contributions or expenditures made directly or indirectly to,
255 or in support of or opposition to, any candidate, political party, committee, electioneering
256 communication, ballot measure campaign, or an issue advocacy campaign if otherwise allowable
257 by law. Political activities do not include activities defined as lobbying under any local, state or
258 federal law. For purposes of this section, the term “contribution or expenditure” includes any
259 monetary and non-monetary political contributions and expenditures not deductible under section
260 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or
261 expenditures on behalf of political candidates, political parties, political committees and other
262 political entities organized and operating under 26 U.S.C. Sec. 527 of the Internal Revenue Code
263 and any portion of any dues or similar payments made to any tax exempt organization that is

used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code, any contribution or expenditure, as those terms are defined in 2 U.S.C. § 431, as well as any contribution or expenditure defined under Section 1 of Chapter 55 of the General Laws, and also includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any office. The term “contribution or expenditure” shall not include:

(1) communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization or membership organization to its members and their families on any subject;

(2) nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families, or by a labor organization or membership organization aimed at its members and their families; and

(3) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

(f) the term “separate segregated fund” means a political action committee formed by a corporation for the purpose of making contributions to candidates for office or to political parties. A “separate segregated fund” which supports federal candidates shall have the same meaning as that found in 2 U.S.C. § 441b.

(2) Annual Vote: –

287 (a) Any corporation that is subject to section 10 of this Act that is an issuer of securities
288 and spends in the aggregate \$5,000 or more on political activities in the Commonwealth in a
289 twelve month period must comply with the requirements of this section.

290 (b) Any proxy or consent or authorization for an annual meeting of the shareholders of a
291 corporation incorporated in the Commonwealth (or a special meeting in lieu of such meeting, as
292 described in this section) where proxies are solicited in respect of any security occurring on or
293 after the date that is 6 months after the date on which final rules are issued under paragraph (5),
294 as described under Section 28 of Chapter 156 of the General Laws, shall provide for a separate
295 resolution subject to shareholder vote to approve any spending of \$5,000 or more by the
296 corporation for any political activity.

297 (c) Notwithstanding this requirement for an annual shareholder vote to authorize any
298 spending of \$5,000 or more by the corporation for any political activity, a corporation may
299 request authorization for spending on political activities on a more frequent basis. Any
300 authorization request by the corporation that is not made during an annual authorization shall be
301 deemed a special authorization.

302 (3) Shareholder Approval: –

303 (a) When seeking shareholder authorization for expenditures for political activities, the
304 corporation shall request the authority to spend a maximum dollar amount in the next 12 months;

305 (b) Prior to the shareholder vote, the corporation shall provide to shareholders a detailed
306 written statement containing the following information (1), whether the corporate treasury funds
307 so authorized are intended to benefit or defeat specific candidates, if otherwise allowable by law,
308 ballot measures or issue advocacy campaigns, or whether it will be paid to specific nonprofits or
309 trade associations for political activities, (2) the amounts and types of expenditures, such as but

not limited to advertising expenses, mailing, and staff and (2) an itemized summary of corporate political activities in the past 12 months consonant with the provisions of Section 6

(c) To be effective, the authorization vote must garner support from two thirds of all the corporation's shareholders.

(d) A vote by the shareholders to approve or disapprove any spending of \$5,000 or more by a corporation for a political activity shall be binding on the corporation.

(e) Notwithstanding the requirement for an annual shareholder vote to authorize any spending of \$5,000 or more by the corporation for any political activity, a corporation may receive a special authorization for additional spending on political activities, provided that

(1) this additional spending is authorized by two thirds of all the corporation's shareholders if the sum of all additional spending totals \$5,000 or more; and

(2) for any special authorization, the company shall state whether the corporate treasury funds so authorized are intended to benefit or defeat candidates, ballot measures or issue advocacy campaigns, or will be paid to specific nonprofits or trade associations for political activities, at the time the special authorization is requested; and

(3) notice of the time, place and purposes of such meeting shall be given to each stockholder of record of each such corporation in the manner provided in Section 36 of Chapter 156B but at least twenty days prior to the date of such meeting.

(f) A stockholder alleging a violation of this section may bring a civil action directly against the directors of the corporation. It is not a defense to an action under this subsection that a director acted in accordance with MGL 156 §25.

(4) Director Liability: –

If a corporation makes an unauthorized contribution or expenditure for a political activity, then the directors at the time that the unauthorized contribution or expenditure was

incurred are jointly and severally liable to repay to the corporation the amount of the unauthorized expenditure, with interest at the rate of eight percent per annum.

In addition, any corporation violating any provision of this subsection shall be punished by a fine of not more than \$100,000, or three times the amount of the unauthorized expenditure, whichever is greater, and any officer, director or agent of the corporation violating any provision thereof or authorizing such violation of any provision thereof, or any person who violates or in any way knowingly aids or abets the violation thereof, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than one year, or both.

(5) Quarterly Notification to Shareholders: –

(a) At least quarterly during each fiscal year, a corporation subject to the requirements of this chapter that makes contributions or expenditures for political activities must file a written report to its shareholders, a copy of which shall be provided to the Office of Campaign and Political Finance in a form prescribed by the director

(2) A report made pursuant to this section shall:

(i) require an electronic signature from the treasurer at the time of the filing of the campaign finance report;

(ii) Be made subject to the penalties for perjury; and

(iii) Include the following:

(A) The date of the expenditure;

(B) The amount of the expenditure;

(C) The type of expenditure, such as but not limited to advertising, mailing, or staff time.

(D) The identity of the candidate, political party, committee, electioneering communication, ballot measure campaign or issue advocacy campaign referenced in the expenditure;

(E) If the expenditure was made for or against a candidate, including an electioneering communication as defined under Chapter 55, the office sought by the candidate and the political party affiliation of the candidate, and whether the expenditure was in support or in opposition to the same;

(F) If the contributions or expenditures were made for or against a ballot measure, the purpose of the measure and whether the contributions or expenditures were made in support or opposition to the ballot measure;

(G) If the contributions or expenditures were made for or against an issue advocacy campaign, the nature of the political issue and whether the contributions were made in support or opposition to the political issue.

(H) All expenditures made by a separate segregated fund affiliated with the corporation.

(6) Reports Posted Online:--

A copy of the reports filed pursuant to this subsection shall be posted immediately on the corporation's website, if any, and kept available for at least one year. Said reports will be made available in a widely used format that is tagged for easy analysis and comparison.

(7) Limits:--

Nothing contained herein shall authorize and expenditure otherwise prohibited by law.

SECTION 9:

Chapter 156B is hereby amended by inserting after section 54 the following new section:-

54A. Political Expenditures:--

(a) Notwithstanding any general or special law to the contrary, no corporation, or trade, business, or professional association nor any other entity under this title shall make any

campaign contribution or expenditure or combination of contributions or expenditures totaling an excess of \$5,000 unless specifically authorized to do so by the affirmative authorization of a majority of the board of directors of the corporation, of the executive committee of the trade, business, or professional association or similar body at a regular or special meeting thereof.

In addition, any corporation or trade, business, or professional association violating any provision of this section shall be punished by a fine of not more than one \$1,000 and any officer, director or agent of the corporation violating any provision thereof or authorizing such violation of any provision thereof, or any person who violates or in any way knowingly aids or abets the violation thereof, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

(b)Corporations or other entities under this title making political expenditures or electioneering communications under this section shall take reasonable steps to notify their employees who are residents of the Commonwealth. Such notice may (i) be a written notice mailed to each employees residence or delivered to them at their place of employment; or (ii) be an electronic notice; or (iii) be a notice that is posted and remains posted in each of said corporation's business establishments within the Commonwealth until said corporations next annual meeting.

(b) Such notice or notices shall include the following:

- (1) The date of the contributions or expenditures;
- (2) The amount of the contributions or expenditures;
- (3) The identity of the candidate, political party, committee, electioneering communication, ballot measure campaign or issue advocacy campaign.

(c) If such notice or notices are posted, such notice or notices shall be posted in a conspicuous place or places where notices to employees are customarily posted. Each employer shall take steps to insure that such notices are not altered, defaced, or covered by other material.

(d) Any employer failing to comply with the provisions of this section shall be subject to citation and penalty in accordance with regulations to be developed by the Secretary of the Commonwealth.

SECTION 10:

(a) Foreign Corporations. A “foreign corporation” as defined in Section 30 of Chapter 63 of the General Laws (other than a foreign association or foreign nonprofit corporation but including a foreign parent corporation even though it does not itself transact intrastate business) is subject to the requirements of SECTIONS 9-11 of this Act inclusively, if:

(i) the average of property, payroll, and sales in Massachusetts with respect to the foreign corporation is more than 50 percent during its latest full income year; or

(ii) said foreign corporation employs 51% or more of its employees within Massachusetts; or

(iii) said foreign corporation employs more employees within Massachusetts than in any other state or political subdivision of the United States or other nation; or

(iv) said foreign corporation has its commercial domicile in Massachusetts.

(b) Liability. Any party who obtains a final determination by a court of competent jurisdiction that the corporation failed to provide to the party information required to be provided by this subdivision or provided the party information of the kind required to be provided by this subdivision that was incorrect, then the court, in its discretion, shall have the power to include in its judgment recovery by the party from the corporation of all court costs and reasonable attorneys’ fees incurred in that legal proceeding to the extent they relate to obtaining that final determination.

(c) A foreign national shall not make an independent expenditure, directly or indirectly, that advocates the nomination, election, or defeat of any candidate or the passage or defeat of any

ballot issue. As used in this section, "foreign national" means a person who is not a citizen of the United States and who is not lawfully admitted for permanent residence. "Foreign national" includes a foreign principal, such as a government of a foreign country or a foreign political party, partnership, association, corporation, organization, or other combination of persons that has its primary place of business in or is organized under the laws of a foreign country. "Foreign national" does not include a person who is a citizen of the United States or who is a national of the United States.

SECTION 11:

If any public official of the Commonwealth or any director of a quasi-public agency or any director of an authority or entity established by the General Court to serve a public purpose, be entitled by virtue of their capacity as a manager of public moneys to vote on a corporation's proposed budget for political activities as described under this act, they shall abstain from said vote.

SECTION 12:

No later than 6 months after the date of the enactment of the Massachusetts Political Accountability Act of 2010, the Secretary of the Commonwealth shall issue final rules to implement SECTIONS 9-11 inclusively.

SECTION 13:

Not later than April 1 of each year, the Office of Campaign and Political Finance shall submit to the Governor, the Speaker of the House, the Senate President and the Joint Committee on

452 Election Laws, and make available on its website a report on the aggregate political spending of
453 corporations in the Commonwealth including expenditures made directly or indirectly to, or in
454 support of or opposition to, any candidate, political party, committee, electioneering
455 communication, ballot measure campaign, or an issue advocacy campaign.

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